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PAGA SETTLEMENT AGREEMENT

This PAGA Settlement Agreement ("Agreement" or "Settlement") is made by and between plaintiff Tessa Teuscher ("Plaintiff"), on one hand, and defendants Sally Beauty Supply, LLC and Sally Beauty Holdings, Inc. (together, "Defendants"), on the other hand. The Agreement refers to Plaintiff and Defendants collectively as the "Parties," or individually as "Party."

1. DEFINITIONS

In addition to other terms defined in this Agreement, the terms below have the following meaning in this Agreement:

1.1. "Actions" collectively means Plaintiff's lawsuits titled: (1) *Tessa Teuscher v. Sally Beauty Supply, LLC, et al.* filed in Yolo County Superior Court as Case No. CV2022-1842, as amended ("PAGA Action"); and (2) *Tessa Teuscher v. Sally Beauty Supply, LLC, et al.* filed with the American Arbitration Association and assigned Case No. 01-23-0003-5360 ("Arbitration Proceeding").

1.2. "Administrator" or "Settlement Administrator" means Apex Class Action LLC, the neutral entity the Parties have agreed to appoint to administer the Settlement.

1.3. "Administrator Expenses" means the amount the Administrator will be paid from the Gross Settlement Amount to reimburse its reasonable fees and expenses in accordance with the Administrator's "not to exceed" bid submitted to the Court in connection with Preliminary Approval.

1.4. "Aggrieved Employees" means all individuals who were employed by Defendants in California as non-exempt employees, at any time during the PAGA Period.

1.5. "Approval Hearing" means the Court's hearing on the motion for approval of the Settlement to determine whether to approve and implement the terms of this Agreement and enter the Judgment.

1.6. "Aggrieved Employee Address Search" means the Administrator's investigation and search for current Aggrieved Employee mailing addresses using all reasonably available sources, methods and means including, but not limited to, the National Change of Address database, skip traces, and direct contact by the Administrator with Aggrieved Employees by use of available email addresses, phone numbers, social security numbers, credit reports, LinkedIn and Facebook.

1.7. "Defense Counsel" means Ogletree, Deakins, Nash, Smoak & Stewart, P.C. and its attorneys including Spencer C. Skeen and Marlene M. Moffitt.

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1.8. "Effective Date" means the first date upon which all of the following events have occurred:

(a) the Court has held an Approval Hearing and entered an order and Judgment approving the Settlement; and,

(b) the later of: (a) the date sixty (60) days after notice of entry of the approval order and Judgment, if no motions for reconsideration and no appeals or other efforts to obtain review have been filed; or (b) in the event that a motion for reconsideration, an appeal or other effort to obtain review of the order and Judgment has been filed, the date sixty (60) days after such reconsideration, appeal or review has been finally concluded. In this regard, it is the intention of the Parties that the Effective Date of Settlement shall not be a date before the Court's order approving the Settlement has become completely final, and there is no timely recourse by any person who seeks to object to or otherwise contest the Settlement.

1.9. "Gross Settlement Amount" means One Million Ninety Thousand Dollars and Zero Cents ($1,090,000) which is the total amount to be paid by Defendants as set forth in this Agreement. Under no condition will Defendants be required to pay more than the Gross Settlement Amount except as provided in Section 9 below. The Gross Settlement Amount will be used to pay Individual PAGA Payments, LWDA PAGA Payment, PAGA Counsel Fees, PAGA Counsel Expenses, PAGA Representative Service Payment, and Administrator Expenses, all as approved by the Court. Any amounts not approved by the Court shall be added to the Net Settlement Amount to be distributed to Aggrieved Employees and shall not be grounds to object to or terminate the Settlement. The Gross Settlement Amount is an all-in amount without any reversion to Defendants, with no claim forms required.

1.10. "Individual PAGA Payment" means the Aggrieved Employee's pro rata share of 25% of the Net Settlement Amount, as calculated by the Settlement Administrator and based on the number of PAGA Pay Periods worked during the PAGA Period.

1.11. "Judgment" means a written order and judgment approving this Settlement and incorporating by reference the terms and conditions of this Settlement.

1.12. "LWDA" means the California Labor and Workforce Development Agency.

1.13. "LWDA PAGA Payment" means the 75% of the Net Settlement Amount, to be paid to the LWDA, as calculated by the Settlement Administrator, under Labor Code section 2699(i).

1.14. "Net Settlement Amount" means the Gross Settlement Amount, less the following payments in the amounts approved by the Court: PAGA Representative Service Payment, PAGA Counsel Fees, PAGA Counsel Expenses, and Administrator

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Expenses.

1.15. "Operative Complaint" means the First Amended PAGA Representative Action Complaint filed in the PAGA Action.

1.16. "PAGA" means the California Labor Code Private Attorneys General Act of 2004, Labor Code §§ 2698, et seq.

1.1. "PAGA Counsel" means James Hawkins APLC and its attorneys including James Hawkins, Christina Lucio and Paul Brown.

1.2. "PAGA Counsel Fees" and "PAGA Counsel Expenses" mean the amounts to be paid to PAGA Counsel for fees and expenses, respectively, as approved by the Court, to compensate PAGA Counsel for their legal work in connection with the Action, including their pre-filing investigation, their filing of the Action, all related litigation activities, all Settlement work, all post-Settlement compliance procedures, and related litigation expenses billed in connection with the Action.

1.3. "PAGA Data" means Aggrieved Employee identifying information in Defendants' possession including the Aggrieved Employee's name, employee ID number, last-known mailing address, Social Security number, email address (if known and available to Defendants), and number of PAGA Pay Periods.

1.4. "PAGA Notice" means Plaintiff's letter dated August 18, 2022 and any amendments thereto, providing notice to the LWDA of potential Labor Code violations.

1.5. "PAGA Pay Period" means any pay period during which an Aggrieved Employee worked for at least one day during the PAGA Period.

1.6. "PAGA Period" means the period of time from August 18, 2021 through the date the Court grants approval of this Settlement.

1.7. "PAGA Representative" means Plaintiff Tessa Teuscher.

1.8. "PAGA Representative Service Payment" means the service payment made to Plaintiff as PAGA Representative in order to compensate her for initiating the Actions, performing work in support of the Actions, undertaking the risk of liability for Defendants' expenses, and for the general release of all claims by the Plaintiff.

1.9. "Released PAGA Claims" shall mean the release from the LWDA, State of California and Aggrieved Employees of all claims for PAGA penalties that were alleged, or reasonably could have been alleged, based on the factual allegations stated in the Operative Complaint, the Actions, and the Plaintiff's PAGA Notice, which occurred during the PAGA Period. The Released PAGA Claims include claims for PAGA

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penalties based on the following allegations: (1) failure to pay minimum wages; (2) failure to accurately pay overtime wages; (3) failure to provide lawful meal periods; (4) failure to authorize and permit rest periods; (5) failure to timely pay wages during employment; (6) failure to timely pay wages owed upon separation from employment; (7) failure to reimburse necessary expenses (8) knowing and intentional failure to comply with itemized wage statement provisions; (9) violation of the unfair competition law; (10) failure to keep accurate records; (11) failure to pay sick leave at the proper rate; (12) failure to pay vested vacation wages; (13) failure to provide suitable seating; (14) failure to permit timely inspection of personnel records; and (15) failure to provide COVID-19 supplemental paid sick leave.

1.10. "Released Parties" shall mean Defendants and each of their former and present insurers, affiliates, subsidiaries, parent companies, predecessors, successors, assigns, employees, officers, directors, agents, attorneys, , and any individual or entity that could be jointly liable with Defendants.

1.11. "Settlement Notice" means the NOTICE OF PAGA SETTLEMENT, as approved by the Court and in substantially the same form as that attached as **Exhibit A** and incorporated by reference into this Agreement.

2. RECITALS

2.1. On August 18, 2022, Plaintiff commenced a class action lawsuit against Defendants for various alleged wage-and-hour violations, including those for unpaid wages, regular rate of pay violations, sick pay violations, meal and rest break violations, untimely wages during employment and at termination, unreimbursed business expenses, wage statement violations, failure to maintain records, and unfair competition. On the same day, Plaintiff submitted her initial PAGA Notice to the LWDA to exhaust her administrative remedies prior to initiating PAGA claims against Defendants.

2.2. On October 25, 2022, Plaintiff commenced the PAGA Action. Plaintiff's complaint sought penalties under PAGA against Defendants for the alleged wage-and-hour violations mentioned above.

2.3. Defendants filed a motion to compel arbitration and dismiss class claims in the class action pursuant to the Parties' arbitration agreement that Defendants contended covered Plaintiff's claims. As the result of additional follow-up meet and confer efforts, Plaintiff ultimately agreed to dismiss the class action and pursue only the PAGA Action, which she did.

2.4. On February 23, 2023, Defendants also filed a motion to compel arbitration in the PAGA Action. The motion was fully briefed and, on or around May 23, 2023, the Court issued an order granting the motion as to Plaintiff's individual claims. The Court ordered Plaintiff's individual claims to arbitration and stayed the representative PAGA

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claims in court, pending completion of arbitration.

2.5. On or around August 9, 2023, Plaintiff initiated the Arbitration Proceeding. Thereafter, the Parties engaged in discovery in the Arbitration Proceeding, including the deposition of Plaintiff and Defendants' corporate designee.

2.6. On May 24, 2024, Defendants filed a Motion for Summary Adjudication in the Arbitration Proceeding, and Plaintiff filed an opposition. While the motion was pending, the Parties agreed to attend mediation on a PAGA-wide basis and to stay further formal litigation in the Arbitration Proceeding, pending the completion of mediation.

2.7. The Parties engaged in informal PAGA discovery to prepare for mediation, including the production of time and pay records for a sample of Aggrieved Employees and the production of relevant PAGA data. This discovery was in addition to the formal discovery that took place in the Arbitration Proceeding, which included depositions of the Parties and the production of hundreds of pages of documents.

2.8. On January 29, 2025, the Parties participated in a full-day mediation with mediator Steve Mehta, an experienced and highly respected employment law and PAGA mediator. With Mr. Mehta's expert guidance, the Parties eventually negotiated a complete settlement of the claims in the Actions and PAGA Notice, as well as claims that rose during the PAGA Action and Arbitration Proceeding including without limitation claims for unpaid vested vacation wages, COVID sick pay violations, right to inspection violations, and suitable seating violations. The Parties' settlement includes this PAGA Settlement Agreement and a separate individual settlement agreement that includes a general release of claims in exchange for a release payment ("Individual Settlement Agreement").

2.9. Defendants denied, and continue to deny, Plaintiff's claims and deny any failure to comply with the laws identified by Plaintiff's claims, and deny any and all liability for the claims alleged.

2.10. Prior to mediation, Plaintiff obtained sufficient documents and information to sufficiently investigate the claims such that Plaintiff's investigation was sufficient to satisfy the criteria for court approval under PAGA.

2.11. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or will be construed as an admission by Defendants that the claims in the Actions or PAGA Notice have merit or that Defendants bear any liability to Plaintiff or the Aggrieved Employees on those claims or any other claims, or as an admission by Plaintiff that Defendants' defenses in the Actions have merit. If for any reason the Settlement does not become effective, Defendants reserve all available

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defenses to the claims in the Action. If the court does not grant approval of the Settlement, the Parties will stipulate that the case will be returned to its status as of January 29, 2025.

2.12. As part of this Settlement Agreement, Plaintiff has agreed to file a First Amended PAGA Representative Action Complaint and a corresponding amended PAGA Notice, to cover the claims negotiated at mediation and covered by the Settlement, prior to filing a motion for approval of the Settlement. Defendants have agreed to stipulate to allow the filing of such amended complaint.

3. MONETARY TERMS

3.1. The Gross Settlement Amount. Defendants agree to pay, on a non-reversionary basis, the Gross Settlement Amount as set forth here, in consideration for Plaintiff, the LWDA, and Aggrieved Employees' promises, representations, and obligations set forth in this Agreement. The Parties agree there are no circumstances that would require Defendants to pay any amount greater than the Gross Settlement Amount in connection with this Agreement, except as provided in Section 9 below. In the event this Agreement is canceled, rescinded, terminated, voided or nullified, however that may occur as permitted herein, or the Settlement is barred by operation of law, invalidated, or ordered not to be carried out by a court of competent jurisdiction, Defendants shall have no obligation to pay any of the Gross Settlement Amount and the Parties will return to their original respective positions, unless otherwise agreed upon in writing. Further, in that event, nothing in this Agreement, the negotiations leading to this Settlement, nor any papers prepared in connection with this Agreement shall be admissible in any proceeding for any purpose whatsoever.

This Agreement contemplates a separate, additional settlement agreement for Plaintiff's individual claims ("Individual Settlement Agreement") in exchange for a general release of claims from Plaintiff. If the court requires an additional amount to secure court approval of this PAGA settlement, Defendants shall not be required to contribute any additional amount. Any additional amount required to secure PAGA settlement approval shall be deducted from the amounts set forth in the Individual Settlement Agreement.

3.2. Payments from the Gross Settlement Amount. The Administrator will make the following payments from the Gross Settlement Amount, in the amounts specified by the Court in its order granting final approval of the Settlement.

(a) To Plaintiff: A PAGA Representative Service Payment to the PAGA Representative of not more than ($2,500) (in addition to any Individual PAGA Payment the PAGA Representative is entitled to receive under this Agreement) for her services and efforts in bringing and prosecuting this Action. Defendants will not oppose Plaintiff's request for a PAGA Representative Service Payment that does not exceed this amount. Any amount not approved by the Court shall be added to the Net Settlement Amount to be

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distributed to Aggrieved Employees and shall not be grounds to object to or terminate the Settlement. The Administrator will pay the PAGA Representative Service Payment using IRS Form 1099. Plaintiff assumes full responsibility and liability for employee taxes owed on the PAGA Representative Service Payment.

(b) To PAGA Counsel: A PAGA Counsel Fees payment of not more than one-third (1/3) of the Gross Settlement Amount, which is currently estimated to be $363,333.33 and a PAGA Counsel Expense payment of not more than $30,000. Defendants will not oppose requests for these payments provided that said requests do not exceed these amounts. Plaintiff and/or PAGA Counsel will file a motion for PAGA Counsel Fees and PAGA Counsel Expenses concurrently with their motion for court approval of the Settlement. Any amounts not approved by the Court shall be added to the Net Settlement Amount to be distributed to Aggrieved Employees and shall not be grounds to object to or terminate the Settlement. Released Parties shall have no liability to PAGA Counsel or any other Plaintiff's Counsel arising from any claim to any portion any PAGA Counsel Fees and/or PAGA Counsel Expenses. The Administrator will pay the PAGA Counsel Fees and PAGA Counsel Expenses using one or more IRS 1099 Forms. PAGA Counsel assumes full responsibility and liability for taxes owed on the PAGA Counsel Fees and/or PAGA Counsel Expenses and holds Defendants harmless, and indemnifies Defendants, from any dispute or controversy regarding any division or sharing of any of these payments.

(c) To the Administrator: An Administrator Expenses payment not to exceed $21,690.00 except for a showing of good cause and as approved by the Court. To the extent the Administrator Expenses is less or the Court approves payment less than $21,690.00, the Administrator will retain the remainder in the Net Settlement Amount for distribution to Aggrieved Employees.

(d) To the LWDA and Aggrieved Employees: PAGA Penalties in the amount of the Net Settlement Amount, with 75% (currently $504,357.50) allocated to the LWDA, and 25% (currently $168,119.17) allocated to Aggrieved Employees as set forth below.

i. Using the PAGA Data, the Administrator will calculate the Individual PAGA Payment for the Aggrieved Employees by, first, adding up the total number of PAGA Pay Periods for all Aggrieved Employees during the PAGA Period. The respective PAGA Pay Periods for each Aggrieved Employee will then be divided by the total PAGA Pay Periods for all Aggrieved Employees, resulting in the "PAGA Payment Ratio" for each Aggrieved Employee. Each Aggrieved Employee's PAGA Payment Ratio will then be multiplied by $168,119.17 (i.e., 25% of the PAGA Payment that is to be allocated to Aggrieved Employees pursuant to PAGA), to calculate the individual's Individual PAGA Payment. Aggrieved Employees assume full responsibility and liability for any taxes owed on their Individual PAGA Payment.

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ii. If the Court approves PAGA Penalties different from the amount requested, the Administrator will use the difference to adjust the Net Settlement Amount.

iii. Individual PAGA Payments shall be allocated and treated as 100% penalties, with no deductions or withholdings, and shall be reported by the Administrator on IRS 1099 Forms. No payroll taxes shall be assessed against Defendants for the Individual PAGA Payments.

4. MOTION FOR SETTLEMENT APPROVAL.

4.1. Within 35 calendar days after execution of this Agreement, Plaintiff shall file with the Court a Motion for Order Granting PAGA Settlement Approval ("Motion") and supporting papers, which shall include this Settlement Agreement and which shall comply with all applicable rules for such Motion. Plaintiff will provide Defendants with a draft of the Motion at least five (5) business days prior to the filing of the Motion to give Defendants an opportunity to review and comment upon the Motion.

4.2. Plaintiff shall submit this Agreement and a copy of the Motion to the LWDA, prior to or concurrently with the filing of the Motion in court.

4.3. Duty to Cooperate. The Parties and their counsel will cooperate with each other and use their best efforts to implement the Settlement and obtain court approval of the Settlement. If the Parties disagree on any aspect of the proposed motion for approval and/or the supporting declarations and documents, PAGA Counsel and Defense Counsel will work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to resolve the disagreement. If the Court does not grant approval or conditions approval on any material change to this Agreement, PAGA Counsel and Defense Counsel will expeditiously work together on behalf of the Parties by meeting in person or by telephone, and in good faith, to modify the Agreement and otherwise satisfy the Court's concerns.

5. SETTLEMENT ADMINISTRATION

5.1. Selection of Administrator. The Parties have jointly selected Apex Class Action LLC to serve as Administrator. The Administrator's duties will include preparing, printing, and mailing the Settlement Notice to all Aggrieved Employees; conducting a National Change of Address search to update Aggrieved Employee addresses before mailing the Settlement Notices; re-mailing Settlement Notices that are returned to the Aggrieved Employee's new address; setting up a toll-free telephone number and email and a fax number to receive communications from Aggrieved Employees; receiving, reviewing, and resolving inquiries from Aggrieved Employees; providing the Parties with status reports about the delivery of Settlement Notices; calculating Individual PAGA Payments; issuing the checks to effectuate the payments due under the Settlement; issuing the tax reports required under this Settlement; and otherwise administering the Settlement pursuant to this Agreement. The Parties and their Counsel represent that they have no interest or

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relationship, financial or otherwise, with the Administrator other than a professional relationship arising out of prior experiences administering settlements.

5.2. Qualified Settlement Fund. The Administrator shall establish and maintain (as necessary) a settlement fund that meets the requirements of a Qualified Settlement Fund ("QSF") under US Treasury Regulation section 468B-1.

5.3. Notice to Aggrieved Employees.

(a) PAGA Data. Within fourteen (14) business days after entry of the Court's order granting approval of this Settlement, Defendants shall provide the Settlement Administrator with the PAGA Data for purposes of preparing and mailing Settlement Notices and Individual PAGA Payments to Aggrieved Employees. The PAGA Data shall not be shared with either Plaintiff or PAGA Counsel unless expressly approved by Defendants and Defense Counsel. To protect PAGA Members' privacy rights, the Administrator must maintain the PAGA Data in confidence, using the PAGA Data only for purposes of this Settlement and for no other purpose.

(b) Within fourteen (14) days after receiving the PAGA Data, the Administrator will send to all Aggrieved Employees identified in the PAGA Data, via first-class United States Postal Service ("USPS") mail, the Settlement Notice substantially in the form attached to this Agreement as **Exhibit A** and the Individual PAGA Payments. Before mailing Settlement Notices and Individual PAGA Payments, the Administrator shall update Aggrieved Employee addresses using the National Change of Address database.

(c) Not later than seven (7) days after the Administrator's receipt of any Settlement Notice and Individual PAGA Payment returned by the USPS as undelivered, the Administrator shall re-mail the Settlement Notice and Individual PAGA Payment using any forwarding address provided by the USPS. If the USPS does not provide a forwarding address, the Administrator shall conduct an Aggrieved Employee Address Search, and re-mail the Settlement Notice and Individual PAGA Payment to the most current address obtained. The Administrator has no obligation to make further attempts to locate or send Settlement Notice and Individual PAGA Payment to Aggrieved Employees whose Settlement Notice is returned by the USPS a second time.

(d) Aggrieved Employees are not permitted to challenge the Administrator's pay period calculations or object to or opt out of the Settlement.

5.4. Administrator Duties. The Administrator will be responsible for establishing a qualified settlement fund ("QSF") and issuing payments and appropriate tax forms to Aggrieved Employees, the LWDA, Plaintiff, and PAGA Counsel, pursuant to this Settlement Agreement and as approved by the Court. Administrator Expenses shall include all costs of administering the settlement, including, but not limited to, all tax document preparation, custodial fees, and accounting fees incurred by the Administrator; all costs

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and fees associated with preparing, issuing and mailing any and all notices and other correspondence to Aggrieved Employees; all costs and fees associated with communicating with Aggrieved Employees, PAGA Counsel, and Defendants' Counsel; all costs and fees associated with computing, processing, reviewing, and paying payments to Aggrieved Employees; costs and fees associated with preparing any tax returns and any other filings required by any governmental taxing authority or agency; costs and fees associated with preparing any declarations and/or reports relating to administration of the Settlement; and any other cost and fees incurred and/or charged by the Administrator in connection with the execution of its duties under this Agreement. Administrator Expenses shall be paid from the Settlement Fund and are currently estimated to be $21,690.00.

6. SETTLEMENT FUNDING

6.1. Funding Date. Defendants will pay the Gross Settlement Amount to the QSF established by the Administrator upon the later of thirty (30) business days after the Effective Date, or fourteen (14) business days after the Settlement Administrator establishes the QSF and provides Defendants' Counsel with IRS Form W-9 for the QSF.

7. PAYMENTS FROM THE GROSS SETTLEMENT AMOUNT

7.1. Within fourteen (14) days after Defendants fund the Gross Settlement Amount, the Administrator will mail checks for all Individual PAGA Payments, the LWDA PAGA Payment, the Administrator Expenses payment, the PAGA Counsel Fees payment, the PAGA Counsel Expenses payment, and the PAGA Representative Service Payment.

7.2. The Administrator will issue each Aggrieved Employee one check for his or her Individual PAGA Payment along with the Settlement Notice. Any checks returned as non-deliverable on or before the check cashing deadline will be sent promptly via regular First-Class U.S. Mail to the forwarding address affixed thereto. If no forwarding address is provided, the Administrator will promptly attempt to determine the correct address using a skip-trace, or other search using the name, address or Social Security number of the Aggrieved Employee involved, and will then perform a single re-mailing. Checks will remain negotiable for 180 days. After the 180 day-period, the Administrator shall remit any unclaimed funds to the California Controller's Unclaimed Property Fund in the name of each such Aggrieved Employee. All settlement payments to Aggrieved Employees will be treated as miscellaneous income for which an IRS Form 1099 will be issued.

7.3. The payment of Individual PAGA Payments shall not obligate Defendants to confer any additional benefits or make any additional payments to Aggrieved Employees (such as 401(k) contributions or bonuses) beyond those specified in this Agreement.

8. RELEASE OF CLAIMS. As a material part of this Agreement, upon Defendants' payment of the Gross Settlement Amount, Plaintiff, Aggrieved Employees, State of California, and LWDA will release claims against all Released Parties as follows:

8.1. Release of PAGA Claims. All Aggrieved Employees, the State of California, and the LWDA are deemed to release, on behalf of themselves and their respective former and present representatives, agents, attorneys, heirs, administrators, successors, and assigns, the Released Parties from all of the Released PAGA Claims.

8.2. Plaintiff's General Release. In addition to the releases set forth above, Plaintiff has separately entered into a Confidential Settlement Agreement and Release of All Claims with a Section 1542 waiver. Plaintiff's Release does not extend to any claims or actions to enforce this Agreement, or to any claims for vested benefits, unemployment benefits, disability benefits, social security benefits, or workers' compensation benefits that arose at any time, or based on occurrences outside the PAGA Period.

9. ESCALATOR CLAUSE.

9.1. Based on their records, Defendants estimate that, at the time of mediation, there were 141,334 PAGA Pay Periods. In the event that the actual total number of PAGA Pay Periods increases by more than 10%, i.e., total PAGA Pay Periods is more than 155,467, then Defendants shall increase their contribution to the Gross Settlement Amount on a proportional basis in excess of ten percent. For example, if there were an eleven percent (11%) increase in the total number of PAGA Pay Periods, the Gross Settlement Amount will increase by 1%, i.e., by $11,000. Alternatively, Defendants will have the option to scale back the PAGA Period to 155,467 total PAGA Pay Periods, so as not to trigger the escalator.

10. ADDITIONAL PROVISIONS

10.1. Duty to Cooperate. If the Court does not approve the Settlement or requires any material change to the Settlement (including, but not limited to, the scope of release), the Parties will expeditiously work together in good faith to address the Court's concerns by revising the Agreement as necessary to obtain approval. The Court's decision to award less than the amounts requested for a PAGA Representative Service Payment, PAGA Counsel Fees, PAGA Counsel Expenses and/or Administrator Expenses shall not constitute a material modification to the Agreement within the meaning of this paragraph.

10.2. Continuing Jurisdiction of the Court. The Parties agree that, after entry of the approval order and Judgment, the Court will retain jurisdiction over the Parties, Action, and the Settlement under C.C.P. section 664.6 solely for purposes of (i) enforcing this Agreement and/or Judgment, (ii) addressing settlement administration matters, and (iii) addressing such post-Judgment matters as are permitted by law.

10.3. Waiver of the Right to Appeal. Provided the Judgment is consistent with the terms and conditions of this Agreement, the Parties, their respective counsel, and Aggrieved Employees, waive all rights to appeal from the Judgment, including all rights to post-judgment and appellate proceedings, the right to file motions to vacate judgment, motions for new trial, extraordinary writs, and appeals. The waiver of appeal does not include any

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waiver of the right to oppose such motions, writs or appeals. If an objector appeals the Judgment, the Parties' obligations to perform under this Agreement will be suspended until such time as the appeal is finally resolved and the Judgment becomes final, except as to matters that do not affect the amount of the Net Settlement Amount.

10.4. Appellate Court Orders to Vacate, Reverse, or Materially Modify Judgment. If the reviewing (appellate) Court vacates, reverses, or modifies the Judgment in a manner that requires a material modification of this Agreement (including, but not limited to, the scope of release), this Agreement shall be null and void. The Parties shall nevertheless expeditiously work together in good faith to address the appellate court's concerns and to obtain approval and entry of Judgment, sharing, on an equal basis, any additional Administration Expenses reasonably incurred at the time of remittitur. An appellate decision to vacate, reverse, or modify the Court's award of the PAGA Representative Service Payment or any payments to PAGA Counsel shall not constitute a material modification of the Judgment within the meaning of this paragraph, as long as the Gross Settlement Amount remains unchanged.

10.5. No Admission of Liability or PAGA Manageability for Other Purposes. This Agreement represents a compromise and settlement of highly disputed claims. Nothing in this Agreement is intended or should be construed as an admission by Defendants that any of the allegations in the Actions or PAGA Notice have merit or that Defendants have any liability for any claims asserted; nor should it be intended or construed as an admission by Plaintiff that Defendants' defenses in the Actions have merit. The Settlement, this Agreement and the Parties' willingness to settle the Actions and PAGA Notice will have no bearing on, and will not be admissible in connection with, any litigation (except for proceedings to enforce or effectuate the Settlement and this Agreement).

10.6. No Publicity. Plaintiff and PAGA Counsel will not contact the media about the Settlement or respond to any inquiries by the media regarding the Settlement.

10.7. Entire Agreement. This Agreement and the Individual Settlement Agreement contain the entire understanding of the Parties hereto with respect to resolution of the Actions and PAGA Notice. This Agreement, together with the Individual Settlement Agreement, supersede any other agreements, understandings, or representations between the Parties.

10.8. Non-Evidentiary Use. This Agreement is admissible for purposes of obtaining approval from the Court of the Gross Settlement Amount and is intended to be binding on the Parties. It is also admissible in the event either Party is required to file a motion to enforce any of the terms of the Agreement. Neither this Agreement, nor any of its terms, nor any of the negotiations connected with it or proceedings relating to this Agreement, payouts or anything else associated with it, shall be offered or used as evidence by any of the Parties, or their respective counsel in the Action or in any other action or proceeding, including to establish any liability or admission on the part of Defendants or any Released Parties (defined above) or to establish the existence of any condition constituting a

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violation of, or noncompliance with, federal, state, local or other applicable law; provided, however, this shall not prevent this Agreement from being used, offered, or received in evidence in any proceeding to enforce, construe, or finalize this Agreement. Neither this Agreement, nor any of its terms or provisions, nor any of the negotiations connected with it or proceedings relating to this Agreement, payouts or other events associated with it, shall be construed as an admission or concession by Defendants or any Released Parties or establishment of any such violation(s) or failure(s) to comply with any applicable law. Defendants specifically retain the right to defend, on the merits, against any non-settled claims brought by any Aggrieved Employees.

10.9. Attorney Authorization. PAGA Counsel and Defense Counsel separately warrant and represent that they are authorized by Plaintiff and Defendants, respectively, to take all appropriate action required or permitted to be taken by such Parties pursuant to this Agreement to effectuate its terms, and to execute any other documents reasonably required to effectuate the terms of this Agreement including any amendments to this Agreement.

10.10. Cooperation. The Parties and their counsel will cooperate with each other and use their best efforts, in good faith, to implement the Settlement by, among other things, modifying the Settlement Agreement, submitting supplemental evidence and supplementing points and authorities as requested by the Court. In the event the Parties are unable to agree upon the form or content of any document necessary to implement the Settlement, or on any modification of the Agreement that may become necessary to implement the Settlement, the Parties will seek the assistance of a mediator and/or the Court for resolution.

10.11. No Prior Assignments. The Parties separately represent and warrant that they have not directly or indirectly assigned, transferred, encumbered, or purported to assign, transfer, or encumber to any person or entity and portion of any liability, claim, demand, action, cause of action, or right released and discharged by the Party in this Settlement.

10.12. No Tax Advice. Neither Plaintiff, PAGA Counsel, Defendants nor Defense Counsel are providing any advice regarding taxes or taxability, nor shall anything in this Settlement be relied upon as such within the meaning of United States Treasury Department Circular 230 (31 CFR Part 10, as amended) or otherwise.

10.13. Modification of Agreement. This Agreement, and all parts of it, may be amended, modified, changed, or waived only by an express written instrument signed either by the Parties or their successors-in-interest or counsel for all Parties.

10.14. Agreement Binding on Successors. This Agreement will be binding upon, and inure to the benefit of, the Parties and their respective heirs, trustees, executors, administrators, predecessors, successors, affiliates, agents, and assigns.

10.15. Applicable Law. All terms of this Settlement Agreement will be governed by and interpreted according to the laws of the State of California.

10.16. Cooperation in Drafting. The Parties have mutually cooperated in the negotiating, drafting and preparation of this Agreement. This Agreement will not be construed against any Party on the basis that the Party was the drafter or participated in the drafting.

10.17. Execution in Counterparts. This Agreement may be executed in one or more counterparts by facsimile, electronically (i.e. DocuSign), or email which for purposes of this Agreement shall be accepted as an original. All executed counterparts and each of them will be deemed to be one and the same instrument if counsel for the Parties will exchange between themselves signed counterparts. Any executed counterpart will be admissible in evidence to prove the existence and contents of this Agreement.

10.18. Fair Settlement. The Parties, PAGA Counsel and Defense Counsel believe and warrant that this Agreement reflects a fair, reasonable, and adequate settlement of the Actions and PAGA Notice and have arrived at this Agreement through arms-length negotiations, taking into account all relevant factors, both current and potential.

AGREED AS TO FORM AND CONTENT BY THE PARTIES:

Dated: May 9, 2025

Tessa Teuscher (May 9, 2025 11:40 PDT)
Plaintiff Tessa Teuscher

Dated: 4/30/2025

DocuSigned by:
LaToya Alexander
A316B8156869439...
______[name]
For Sally Beauty Holdings, Inc.

Dated: 4/30/2025

DocuSigned by:
LaToya Alexander
A316B8156869439...
______[name]
For Defendant Sally Beauty Supply, LLC

Docusign Envelope ID: 9B7E9BC8-C5E4-4117-AAB0-34E923917582

APPROVED AS TO FORM ONLY BY COUNSEL:

Dated: 5/9/2025 Paul Brown

James R. Hawkins, Esq.
Christina Lucio, Esq.
Paul Brown, Esq.
JAMES HAWKINS APLC
Attorneys for Plaintiff

Dated: May 1, 2025

Spencer C. Skeen, Esq.
Marlene M. Moffitt, Esq.
OGLETREE, DEAKINS, NASH, SMOAK & STEWART, P.C
Attorneys for Defendants Sally Beauty Holdings, Inc. and Sally Beauty Supply, LLC

Docusign Envelope ID: 9B7E9BC8-C5E4-4117-AAB0-34E923917582

EXHIBIT A

[PROPOSED NOTICE OF PAGA SETTLEMENT]